

FINANCIAL SECRETARIAT

Reviews the Report on the working of the Mysore Government Insurance Department for the year 1947-48.

READ—

Report on the working of the Mysore Government Insurance Department for the year 1947-48, received with letter No. AVG. 1638, dated the 6th December 1948, from the Secretary, Mysore Government Insurance Department, Bangalore.

ORDER No. FL. 8748-50—G.F. 146-48-2, DATED BANGALORE,
THE 18TH MARCH 1949.

It is gratifying to note that the Motor Insurance Scheme which was started from 1st July 1946 has met with a fair measure of success in spite of keen competition by private Insurance Companies.

The proposal of the Department for the mechanisation of the accounting system of the Department so as to reduce working cost is under the consideration of Government.

The year under report is the year of quinquennium for purposes of valuation. Government note that the work of valuation has been taken on hand and hope it will be concluded expeditiously.

The report is appended.

M. SHAMANNA, *Finl. Secy.*

ANNEXURE.

ANNUAL REPORT ON THE WORKING OF THE MYSORE GOVERNMENT INSURANCE DEPARTMENT FOR THE YEAR 1947-48.

Sri F. Thumboo Chetty, B.A., was the Secretary of the Department during the year and was in direct charge of the office.

OFFICIAL BRANCH.

Proposals.—During the year 1947-48, 3,163 proposals were dealt with as against 3,618 proposals in the previous year. Of these, 2,075 proposals were accepted, 1,584 being cases of first insurance and 491 of further insurance. Seven hundred and forty-four proposals were rejected and cancelled, 561 temporarily and 183 permanently on medical and other grounds.

There were thus 344 proposals left pending disposal at the close of the year.

Policies.—Out of the 2,460 proposals accepted during the year including 385 proposals pending at the beginning of the year, 2,072 proposals resulted in policies for an assurance of Rs. 22,15,333 bringing in a monthly premium of Rs. 9,217. Out of the remaining 388 proposals, 59 were cancelled and for 329 cases, treasury receipts for payment of first premium had not been received before the close of the year.

FAMILY PENSION BRANCH.

This branch is closed to new entrants. The financial position of the branch during 1947-48 is disclosed by the following statement:—

Receipts	Amount	Payments	Amount
Opening balance on 1st July 1947.	Rs. Nil	Payments during 1947-48.	Rs. 600 as. 0
Receipts during 1947-48.	195 0	(A) Closing balance on 30th June 1948.	405 0
Total	195 0		195 0

PUBLIC BRANCH.

During the year under review, 12,448 proposals for Rs. 1,58,09,700 were received as against 12,936 for Rs. 1,64,85,100 of the previous year. Including 244 proposals for Rs. 3,39,200 pending at the commencement of the year, 11,744 proposals for Rs. 1,49,56,700 were accepted during the year. Five hundred and seventy-six proposals for Rs. 7,11,000 were rejected or postponed and 174 proposals for Rs. 2,11,800 were cancelled, leaving 198 proposals for Rs. 2,69,400 pending at the end of the year.

Thus, the new business record set up in 1946-47 has almost been maintained in the year 1947-48, under review.

Of the accepted proposals 10,969 proposals resulted in policies assuring Rs. 1,38,90,200 with an annual premium of Rs. 7,75,557-12-0.

INCOME POLICIES.

During the year under report, 5 applications for the purchase of Income policies were received as against 4 applications in the previous year. As desired by the applicants, one deferred and four immediate annuity bonds for the purchase price of Rs. 16,831-7-5 were issued by the department.

MOTOR BRANCH.

The Motor Insurance Scheme of the Department started in accordance with Official Memorandum No. FL. 8607-8671—G.F. 280-45-3, dated 5th June 1946 and Government Order No. FL. 225-6—G.F. 280-45-5, dated 5th July 1946, continued to show good progress in 1947-48 also. Insurance cover is granted to all the types of Motor Vehicles as required by the Motor Vehicles and Road Traffic Act, 1946. The premium rates are competitive and the benefits conferred are attractive. In spite of the keen competition experienced by the Department from as many as 25 private companies doing Motor Insurance business in the State, the Motor Branch secured a good share of the business as more than 3,000 vehicles were insured during the year. (*Vide* following statements relating to this branch.)

(A) Statement of Vehicles Insured during 1947-48.

Particulars	Number	Premium estimate
1. Private car	1,064	Rs. a. p. 2,98,201 15 7
2. Motor cycles	796	
3. Lorries	936	
4. Buses and Taxis	150	
5. Miscellaneous	30	
Total	3,006	

(B) Financial position of the Motor Branch for the year 1947-48.

Receipts	Amount	Payments	Amount
Opening balance as on 1st July 1948.	Rs. 1,44,201 0 0	Establishment and contingencies.	Rs. 19,318 5 0
Receipts during 1947-48.	2,87,909 14 7	Commission	53,007 15 0
		Bank commission	325 8 0
		Claims	22,714 9 9
		Refunds	2,897 10 0
		Total	97,763 15 9
		Closing balance	3,34,346 14 10
Total	4,32,110 14 7	Total	4,32,110 14 7

The above statement discloses that the Motor Insurance Scheme has been a great success, because after meeting the expenses occurring during the year, the closing balance of the Motor Insurance Fund is estimated at Rs. 3,34,346-14-10 as on 30th June 1948.

(A) This debit balance has to be made good by the General Revenues of the State, vide Government Order No. FL. 3450-1—G.F. 127-33-3, dated 21st—23rd December 1933.

Financial position of the Life Branch of the Department for the year 1947-48.

The following is the statement of Receipts and Payments of the Insurance Fund during 1947-48:—

Receipts	Amount	Payments	Amount
Opening balance on 1st July 1947.	Rs. 4,14,75,022 7 8	Approximate payments 1947-48.	Rs. 47,00,522 7 8
Approximate receipts 1947-48.	71,89,419 10 7	Approximate closing balance on 30th June 1948.	4,39,63,919 10 7
Total	4,86,64,442 2 3	Total	4,86,64,442 2 3

General.—(1) In Order No. Fl. 8,163-64—G.F. 120-45-5, dated 16th May 1947, Government were pleased to direct that the rate of interest allowed on the Insurance Fund be 3½ per cent per annum with effect from 1st July 1944. A Sub-Committee was constituted under orders of Government for considering the revision of premium rates and other allied subjects. The Sub-Committee concluded its deliberations on 22nd November 1948 and its report is before the main committee.

(2) The maximum limits of assurance in the Public Branch were enhanced to Rs. 20,000 in the case of male lives and Rs. 10,000 for first class female lives and this has been

attracting good business. A further enhancement of the limits to Rs. 25,000 has been considered by the Sub-Committee.

(3) A whole time Actuary was appointed during the year for underwriting New Business and valuing the liabilities of the Department.

(4) For organising and scrutinising the field work, a Branch Office was sanctioned for Bangalore Division. An Assistant Secretary has been placed in charge of the work.

(5) Four officers and four officials were deputed to Bombay to study the suitability of mechanisation in the Department and their report on mechanisation of the accounting system of the Department which may save about a lakh of rupees per annum has been submitted to Government and orders are awaited.

(6) The valuation for the quinquennium ending on 30th June 1948 and the mortality investigation of the two branches has been taken on hand. As was done on the previous occasions, the work has been proposed to be done overtime by posting experienced and qualified officials for the work and the proposals regarding the allowances to be paid which is before the Committee, are to be submitted to Government shortly.

(7) The Committee held four ordinary meetings during the year.

F. THUMBOO CHETTY, Secy.